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# Health Benefits Administration



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# Learning Objectives

- Describe the HR Professional's role in health eligibility, enrollment, and re-verification
- Make determinations of eligibility
- Locate and identify needed rules, procedures, and information

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# Pre-Quiz 1

## Eligibility

1. Which of the following dependents are eligible for health benefits?
  - a. Grandparent
  - b. Live-in fiancé
  - c. 25 year old child
  - d. Foster child
  
2. Which of the following people are not eligible for health benefits?
  - a. Permanent Intermittent that worked 470 hours in a control period
  - b. Limited Term/Half Time employee that has a current 12 month position
  - c. Half-Time employee that holds a permanent position
  - d. Full-Time employee in Bargaining Unit 12

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# Pre-Quiz 2

## Permitting Events

3. Which of the following is not a permitting event?
- a. Domestic partnership
  - b. Voluntary cancelation of coverage
  - c. Birth of a child
  - d. Newly hired employee
4. Which of the following is not a permitting event that may prompt an individual to change health plans?
- a. Household move
  - b. Change in employment location
  - c. Retirement
  - d. In-place promotion

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# Pre-Quiz 3

## Bonus Question

5. How often are open enrollments required per the Public Employees' Medical and Hospital Care Act (PEHMCA)?
- a. Annually
  - b. Once every other year
  - c. Once every three years
  - d. Periodically

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# Role of the HR Professional 1

Your Role is Essential:

- Provide accurate information to employees on eligibility requirements and locating health policy resources.
- Ensure that only eligible employees and dependents are enrolled.

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# Role of the HR Professional 2

- Process enrollments timely
- Retain all required documentation in OPF
- Proactively monitor continued eligibility of employees and their dependents, including parent-child relationship (PCR) dependents.

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# There's a Lot to Know

- Resources
- Eligibility
- my|CalPERS
- Availability of plans in your area (PPO/HMO/EPO)



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# Discussion

An employee comes to you expressing confusion in selecting a health plan, and asks which health plan is the best. What actions would you take, and what information would you provide to assist them in making a selection?

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# CalPERS Resources

- Web site—[www.calpers.ca.gov](http://www.calpers.ca.gov)
- Health Plan Web site links
- Health Plan Evidence of Coverage (EOC)
- Summary of Benefits
- Health Program Guide

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# Know the Rules 1

Government Code §22750–22944 defines -

The Public Employees' Medical & Hospital Care Act (PEMHCA)

CA Code of Regulations §599.500–599.517

CCR.OAL.CA.GOV

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# Know the Rules 2

- **CalPERS Circular Letters**

<https://www.calpers.ca.gov/page/employers/policies-and-procedures/circular-letters>

- **CalHR Health Policy Statement**

<http://hrmanual.calhr.ca.gov/Home/ManualItem/1/1401>

- **State Collective Bargaining Contracts**

<http://calhr.ca.gov/state-hr-professionals/pages/bargaining-contracts.aspx>



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# Why is all this important?

- Rising health benefit costs are a leading cause of anemic pay raises
- You'll be a better resource for employees
- Ensure that we only enroll eligible employees and dependents

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# Eligibility

- Based on appointment tenure and time base
  - Special Rules for:
    - Permanent Intermittents
    - Seasonal Firefighters (BU8)

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# Eligible Employees 1

- Permanent Full-Time
- Permanent Part-Time (half-time or more)
- Permanent Intermittent
  - Must work  $\geq$  480 hours in control period
  - Must requalify each control period

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# Eligible Employees 2

- Limited Term of more than 6 months and:
  - Full-Time, or
  - Half time or more



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# Ineligible Employees

- Employees whose appointment is:
  - Limited Term, 6 months or less
  - Less than half-time
  - Intermittent, other than Permanent Intermittent

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# Dependent Eligibility

- Spouses / Registered Domestic Partners are eligible.
- Children:
  - Natural / Adopted
  - Step Children / Domestic Partner Children
  - Disabled Adult Dependent Children
  - Parent-Child Relationships (PCR)

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# Health Benefit Plan Enrollment Form for Active Employees (CalPERS HBD – 12)

Required to:

- Enroll
- Add/Delete Dependents
- Change Health Plans
- Cancel coverage
- Decline coverage

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# Dependent Eligibility Verification Checklist (CalHR Form 781)

Required to:

- Verify dependents are eligible for health, dental, and premier vision benefits before enrollment
- Perform the triennial re-verification of dependents.
- Annually recertify parent-child relationships (PCR)

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# Required Enrollment Documents and Information

- CalPERS Circular Letter 600-045-12
  - CalHR Health Benefits Policy Statement
  - CalPERS State Health Benefits Guide
  - Dependent Eligibility Verification Checklist (CalHR 781)

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# Ineligible Dependents 1

- Former spouses and former registered domestic partners are not eligible (*even if a court orders the employee to provide health coverage*)
- Children age 26 and older
- Disabled adult children not enrolled and disabled prior to age 26

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# Ineligible Dependents 2

- Grandchildren, grandparents, parents, aunts, uncles, nieces, nephews, etc.
- Foster children
- Spouses/domestic partners of adult children

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# Ineligible Dependents 3

- Live-in boyfriend/girlfriend and his/her children
- Anyone already enrolled in a CalPERS health plan on their own or as another subscriber's dependent



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# Disabled Adult Dependent Child 1

- Employee's disabled adult children—
  - Must be incapable of self-support due to a mental or physical condition
  - Must be disabled and enrolled before age 26

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# Disabled Adult Dependent Child 2

- Employee mails to CalPERS for approval:
  - “Member Questionnaire for the CalPERS Disabled Dependent Health Benefit,” HBD-98
  - “Medical Report for the CalPERS Disabled Dependent Benefit,” HBD-34

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# Disabled Adult Dependent Child 3

Initial certification of disabled adult dependent child must be:

- Within 60 days before and 60 days after child's 26th birthday (employee and child currently enrolled)

**Or**

- Within 60 days of newly eligible employee's initial health enrollment

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# PCR Eligibility

- Children up to age 26 for whom employee has:

“assumed a parent-child relationship. . .  
by intentional assumption of parental  
status, or assumption of parental duties”  
[CA Code of Regulations §599.500(o)]

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# PCR Eligibility Procedure

- Employee must complete Affidavit of Parent-Child Relationship (HBD-40) and provide documentations showing a current parent-child relationship
- HR Manager and Health Benefits Officer must sign Affidavit

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# Enrolling PCR Child Under Age 19

Employee submits:

- A copy of the first page from the previous tax year's income tax return, showing child is a dependent

OR

- Court order with employee as legal guardian
  - Bank, credit card, tuition or insurance statement
  - School records
  - Bills or mail indicating common residency

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# Re-certifying PCR Child Under Age 19

Employee **must** submit a copy of the first page from the previous tax year's income tax return, showing child is a dependent.

Go in to [my|CalPERS](#) to re-certify.

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# Enrolling and Re-certifying PCR Child, Age 19 to 26

Employee submits:

- A copy of the first page from the previous tax year's income tax return, showing child is a dependent

**OR**

- Other documentation showing child is financially dependent, provided that the child:
    - Lives with employee for more than 50 percent or is a full-time student, **AND**
    - Is more than 50 percent dependent upon employee
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# PCR Annual Recertification

- Annual Recertification Required (Circular Letter 600-008-15)
  - Employee must submit a new affidavit (HBD-40) and documentation showing current parent-child relationship
  - HR Manager and Health Benefits Officer must sign Affidavit
  - CalHR Form 781

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# PCR Discussion 1

In May 2018, Sandy Playa enrolled Annie Palmer, her daughter's 12 year-old friend, as a PCR dependent. In 2019, Ms. Playa provides you with documents during her birth month of December to recertify Annie. The documents are listed on the next slide. Would you recertify Annie as Ms. Playa's PCR dependent?

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# PCR Discussion 2

Sandy Playa provides you the following documents:

- Middle school emergency contact information with Sandy as the primary contact
- 2018/19 school year documents showing Annie's residence is that of Sandy's
- Weekly Safeway and Target receipts for groceries, clothing, and other necessities

# Dependent Re-Verification (DRV) 1

The eligibility of dependents will be re-verified once every three years, based on the employee's birth month.

Re-Verification Year	2018	2019	2020	2021	2022	2023
Employee Birth Month	Apr Jul Oct	Feb May Aug Nov	Mar Jun Sep Dec	Jan Apr Jul Oct	Feb May Aug Nov	Mar Jun Sep Dec

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# Dependent Re-Verification (DRV) 2

Government Code section 22843.1

60 calendar days before the employee's birth month, CalPERS will send a letter to the employee, providing:

- The re-verification due date
- A list of the enrolled family members requiring re-verification
- A description of the acceptable re-verification documents

**Note: The HR office will not receive a copy of this letter.**

# Dependent Re-Verification (DRV) 3

## Dependent Verification End Date Report

This report shows lists of the employee's dependent(s) requiring re-verification for health benefits, by the selected verification end date.

Subscriber CalPERS ID	Subscriber Last Name	Subscriber First Name	Dependent CalPERS ID	Relationship Type	Dependent Last Name	DependentFirst Name	Verification End Date
154872472	Dove	Jane	46716575641	Spouse	Dove	Mark	1/31/2018
154872472	Dove	Jane	48718754711	Child	Dove	Sara	1/31/2018
167468741	Scott	Paul	89571141022	Spouse	Scott	Ron	1/31/2018

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# Dependent Re-Verification (DRV) 4

- **Dental Benefits**
  - BU contracts dictate that Dental Benefits Eligibility mimics health.
  - HR Office must send employee notifications for dependents enrolled in dental, following the same schedule as CalPERS. (DRV Toolkit)
  - How do you know who is enrolled in Dental?

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# Dependent Re-Verification (DRV) 5

- **Dental Benefits**

- STD. 692 to SCO to disenroll unverified dependents.
- If the employee submits appropriate re-verification documentation at a later date, dependents shall be enrolled on the first of the month following (This will result in a gap in coverage).
- Permitting Event Codes
  - Delete – 13D
  - Re-enroll – 13A



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# Benefit Entitlement

Government Code section 20128 allows CalPERS to require information it deems necessary to determine a member or beneficiary's benefit entitlement

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# Enrollment 1

- Self-Only or
- Self and all eligible dependents
- Exceptions:
  - Family member with other (non-CalPERS) coverage
  - Spouse not living with employee
  - Children over 18
  - Family member in military

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# Enrollment 2

- Enrollment types:
  - New enrollment
  - Open enrollment
  - Special enrollment
  - Late enrollment (HIPAA)
- Permitting event—occurrence that permits an enrollment action

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# New Enrollment

- New hires may enroll within 60 days of appointment
- Permanent Intermittents may enroll within 60 days following completion of qualifying control period
- Coverage effective the first of the month following the date HBD-12 and CalHR 781 is received in HR Office

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# Open Enrollment

- Held each fall for approximately 30 days
- Employees may enroll, change plans, cancel coverage, add, or delete dependents
- Changes effective January 1 (start of new plan year)
- CalPERS issues Circular Letter in summer with open enrollment info & instructions

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# Special Enrollment

- Triggered by permitting events, such as:
  - Marriage
  - Birth (Circular Letter 600-007)
  - Adoption or placement for adoption
  - Involuntary loss of other coverage
  - Court-ordered coverage
- Must enroll within 60 days of event
- Effective 1<sup>st</sup> of the month following

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# Late Enrollment (HIPAA)

- Outside of open enrollment or more than 60 days following permitting event
- 90-day waiting period
- Coverage effective 1<sup>st</sup> of the month following 90-day waiting period
- Reference Circular Letter 600-007

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# Transactions

- Mandatory
- Permissive
- Plan Changes
- Prohibited



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# Mandatory Transactions

- Additions or deletions required by law from:
  - Court-ordered coverage
    - Divorce (deletion of ex-spouse and stepchildren)
    - Death of a family member
    - Dependent reaches age 26
    - Separation from employment or reduction in time base (Circular Letter 600-067-10)
    - Birth or adoption

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# Permissive Transactions

- Additions or deletions that are voluntary at the employee's option
- Examples include:
  - Child reaches age 18
  - Family member enters or leaves military
  - Family member obtains other coverage (Optional Delete)
  - Custody change for child under age 18

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# Health Plan Change

Triggers enabling a plan change:

- Household move
- Change in employment location
- Retirement

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# Not Permitted

- Dual coverage – any individual covered under two CalPERS subscribers at the same time.
- Split enrollments—dependents can't be split between two CalPERS subscribers
- Upon discovery, the employee's health account must be corrected retroactively
- Retroactivity (Circular Letter 600-215-05)

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# Off Pay Status

- Circular Letter 600-050-14
- Employee may direct pay premiums when off pay status, such as: leave of absence (LOA), pending approval of disability retirement, suspension
- When an employee returns to work: update my|CalPERS and schedule resumption of payroll deductions

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# Employee Must Report Timely

- Marriage/domestic partnership
- Divorce/termination of domestic partnership
- Death of a member/family member
- Change of residential address

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# Divorce or Domestic Partner Termination 1

- If separated, but still married or a domestic partner:
  - Cannot drop minor step-children/DP children
  - If court-orders coverage:
    - If employee is not enrolled, must enroll
    - Health plan must provide coverage where dependent resides
    - If employee refuses, HR administratively enrolls family in PERS Choice

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# Divorce or Domestic Partner Termination 2

Optional Deletion of Spouse or Domestic Partner:

- Legal separation—provide COBRA to spouse or DP
- Spouse or DP Leaves employee's household (not during a divorce, see below).

Form FL-110 - Automatic Temporary Restraining Orders (ATROS) – cannot cancel spousal benefits once divorce has been initiated.



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# Divorce or Domestic Partner Termination 3

- When divorce is final:
  - Disenroll ex-spouse/DP and any step-children or DP children
  - COBRA rights
- A court ordering employee to provide ex-spouse/domestic partner with health coverage does not bind the state to provide it, or make the ex-spouse eligible for state benefits

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# Quiz 1

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# Quiz 3

## Bonus Question

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# Questions

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